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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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GRAMERCY ARGENTINA OPPORTUNITY  
FUND, LTD., GRAMERCY EMERGING  
MARKETS FUND and PARTNERS GROUP  
ALTERNATIVE STRATEGIES PCC  
LIMITED BLUE KAPPA CELL,

Plaintiffs,

07 Civ. 11492 (TPG)

-against-

**ANSWER**

THE REPUBLIC OF ARGENTINA,

Defendant.

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Defendant the Republic of Argentina (the "Republic"), as and for its answer to the Complaint, dated December 21, 2007 (the "Complaint"), respectfully states as follows:

1. The first sentence of Paragraph 1 of the Complaint purports to characterize the nature of the action brought, and accordingly, no responsive pleading is required. To the extent that Paragraph 1 of the Complaint constitutes a conclusion of law, no responsive pleading is required. The Republic otherwise lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 1 of the Complaint, except admits that since December 2001, it has not paid interest or principal on non-nonperforming debt.

2. The Republic lacks knowledge or information sufficient to form a belief as to the

truth of the allegations of Paragraph 2 of the Complaint.

3. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 3 of the Complaint.

4. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 4 of the Complaint.

5. Paragraph 5 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise admits that it is a foreign state as defined in 28 U.S.C. § 1603(a).

6. Paragraph 6 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required.

7. Paragraph 7 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required.

8. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 8 of the Complaint, except admits that it entered into a Fiscal Agency Agreement dated December 6, 1992 (the “1992 FAA”), and refers to the 1992 FAA for its true and correct contents. The Republic admits that it issued bonds having ISIN XS0043119147. To the extent that Paragraph 8 purports to characterize the contents of written documents, which documents speak for themselves, the Republic denies such characterizations inconsistent with the contents of the referenced documents and refers to the documents cited in Paragraph 8 for their true and correct contents.

9. Paragraph 9 of the Complaint purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in

Paragraph 9 of the Complaint for its true and correct contents.

10. The Republic denies the allegations of Paragraph 10 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

11. Paragraph 11 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 11 of the Complaint.

12. Paragraph 12 of the Complaint purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 12 of the Complaint for its true and correct contents.

13. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of Paragraph 13 of the Complaint. The second sentence of Paragraph 13 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. Paragraph 13 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 13 for its true and correct contents.

14. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 14 of the Complaint. Paragraph 14 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 14 of the Complaint for its true and correct contents.

15. Paragraph 15 of the Complaint purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 15 of the Complaint for its true and correct contents.

The EMTN Notes

16. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 16 of the Complaint, except admits that it entered into a Trust Deed dated as of July 27, 1993 (the “Trust Deed”), and refers to the Trust Deed for its true and correct contents. The Republic denies that it issued bonds having ISIN XS105224470, but admits that it issued bonds having ISIN XS0105224470. To the extent that Paragraph 16 purports to characterize the contents of written documents, which documents speak for themselves, the Republic denies such characterizations inconsistent with the contents of the referenced documents and refers to the documents cited in Paragraph 16 for their true and correct contents.

17. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 17 of the Complaint, except admits that it entered into the Trust Deed and refers to the Trust Deed for its true and correct contents. The Republic denies that it issued bonds having ISIN XS105224470, but admits that it issued bonds having ISIN XS0105224470. To the extent that Paragraph 17 purports to characterize the contents of written documents, which documents speak for themselves, the Republic denies such characterizations inconsistent with the contents of the referenced documents and refers to the documents cited in Paragraph 17 for their true and correct contents.

18. Paragraph 18 of the Complaint purports to characterize the contents of a written

document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 18 of the Complaint for its true and correct contents.

19. The Republic denies the allegations of Paragraph 19 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

20. Paragraph 20 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 20 of the Complaint.

21. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 21 of the Complaint. Paragraph 21 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 21 for its true and correct contents.

22. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 22 of the Complaint. Paragraph 22 of the Complaint otherwise purports to characterize the contents of written documents, which documents speak for themselves. The Republic denies such characterizations inconsistent with the contents of the referenced documents and refers to the documents cited in Paragraph 22 of the Complaint for their true and correct contents.

23. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 23 of the Complaint.

24. Paragraph 24 of the Complaint purports to characterize the contents of a written

document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 24 of the Complaint for its true and correct contents.

25. Paragraph 25 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 25 of the Complaint.

The 1994 Bonds

26. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 26 of the Complaint, except admits that it entered into a Fiscal Agency Agreement dated October 19, 1994 (the “1994 FAA”), and refers to the 1994 FAA for its true and correct contents. The Republic admits that it issued bonds having ISINs US040114AN02, XS0086333472 and US040114AR16. To the extent that Paragraph 26 purports to characterize the contents of written documents, which documents speak for themselves, the Republic denies such characterizations inconsistent with the contents of the referenced documents and refers to the documents cited in Paragraph 26 for their true and correct contents.

27. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 27 of the Complaint, except admits that it entered into the 1994 FAA, and refers to the 1994 FAA for its true and correct contents. The Republic admits that it issued bonds having ISINs US040114AW01, US040114AN02, US040114GF14, XS0086333472, US040114FC91, US040114GA27, US040114AR16 and US040114BD11. To the extent that Paragraph 27 purports to characterize the contents of written documents, which documents speak for themselves, the Republic denies such characterizations inconsistent with the

contents of the referenced documents and refers to the documents cited in Paragraph 27 for their true and correct contents.

28. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 28 of the Complaint, except admits that it entered into the 1994 FAA, and refers to the 1994 FAA for its true and correct contents. The Republic admits that it issued bonds having ISINs US040114AW01, US040114AN02, US040114FC91, US040114GA27, and US040114BD11. To the extent that Paragraph 28 purports to characterize the contents of written documents, which documents speak for themselves, the Republic denies such characterizations inconsistent with the contents of the referenced documents and refers to the documents cited in Paragraph 28 for their true and correct contents.

29. Paragraph 29 of the Complaint purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 29 of the Complaint for its true and correct contents.

30. The Republic denies the allegations of Paragraph 30 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

31. Paragraph 31 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 31 of the Complaint.

32. Paragraph 32 of the Complaint purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 32 of the Complaint for its true and correct contents.

33. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 33 of the Complaint. Paragraph 33 of the Complaint otherwise purports to characterize the contents of written documents, which documents speak for themselves. The Republic denies such characterizations inconsistent with the contents of the referenced documents and refers to the documents cited in Paragraph 33 of the Complaint for their true and correct contents.

34. Paragraph 34 of the Complaint purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 34 of the Complaint for its true and correct contents.

COUNT ONE

35. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

36. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 36 of the Complaint, except admits that it issued bonds having ISIN XS0043119147. Paragraph 36 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 36 of the Complaint for its true and correct contents.

37. The Republic denies the allegations of Paragraph 37 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

38. Paragraph 38 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in



Paragraph 38 of the Complaint.

39. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 39 of the Complaint. Paragraph 39 of the Complaint otherwise purports to characterize the contents of written documents, which documents speak for themselves. The Republic denies such characterizations inconsistent with the contents of the referenced documents and refers to the documents cited in Paragraph 39 of the Complaint for their true and correct contents.

40. Paragraph 40 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 40 of the Complaint.

#### COUNT TWO

41. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

42. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 42 of the Complaint. The Republic denies that it issued bonds having ISIN XS105224470, but admits that it issued bonds having ISIN XS0105224470. Paragraph 42 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 42 of the Complaint for its true and correct contents.

43. The Republic denies the allegations of Paragraph 43 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

44. Paragraph 44 of the Complaint constitutes a conclusion of law as to which no

responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 44 of the Complaint.

45. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 45 of the Complaint. Paragraph 45 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 45 of the Complaint for its true and correct contents.

46. Paragraph 46 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 46 of the Complaint.

### COUNT THREE

47. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

48. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 48 of the Complaint, except admits that it issued bonds having ISIN XS105224470. Paragraph 48 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 48 of the Complaint for its true and correct contents.

49. The Republic denies the allegations of Paragraph 49 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

50. Paragraph 50 of the Complaint constitutes a conclusion of law as to which no

responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 50 of the Complaint.

51. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 51 of the Complaint. Paragraph 51 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 51 of the Complaint for its true and correct contents.

52. Paragraph 52 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 52 of the Complaint.

#### COUNT FOUR

53. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

54. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 54 of the Complaint, except admits that it issued bonds having ISIN US040114AN02. Paragraph 54 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 54 of the Complaint for its true and correct contents.

55. The Republic denies the allegations of Paragraph 55 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

56. Paragraph 56 of the Complaint constitutes a conclusion of law as to which no

responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 56 of the Complaint.

57. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 57 of the Complaint. Paragraph 57 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 57 of the Complaint for its true and correct contents.

58. Paragraph 58 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 58 of the Complaint.

#### COUNT FIVE

59. The Republic repeats its responses to paragraphs 1 to 59 of the Complaint as if fully set forth here.

60. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 60 of the Complaint, except admits that it issued bonds having ISIN XS0086333472. Paragraph 60 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 60 of the Complaint for its true and correct contents.

61. The Republic denies the allegations of Paragraph 61 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

62. Paragraph 62 of the Complaint constitutes a conclusion of law as to which no

responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 62 of the Complaint.

63. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 63 of the Complaint. Paragraph 63 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 63 of the Complaint for its true and correct contents.

64. Paragraph 64 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 64 of the Complaint.

#### COUNT SIX

65. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

66. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 66 of the Complaint, except admits that it issued bonds having ISIN US040114AR16. Paragraph 66 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 66 of the Complaint for its true and correct contents.

67. The Republic denies the allegations of Paragraph 67 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

68. Paragraph 68 of the Complaint constitutes a conclusion of law as to which no

responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 68 of the Complaint.

69. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 69 of the Complaint. Paragraph 69 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 69 of the Complaint for its true and correct contents.

70. Paragraph 70 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 70 of the Complaint.

#### COUNT SEVEN

71. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

72. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 72 of the Complaint, except admits that it issued bonds having ISIN US040114AW01. Paragraph 72 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 72 of the Complaint for its true and correct contents.

73. The Republic denies the allegations of Paragraph 73 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

74. Paragraph 74 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 38 of the Complaint.

75. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 75 of the Complaint. Paragraph 75 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 75 of the Complaint for its true and correct contents.

76. Paragraph 76 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 76 of the Complaint.

#### COUNT EIGHT

77. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

78. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 78 of the Complaint, except admits that it issued bonds having ISIN US040114AN02. Paragraph 78 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 78 of the Complaint for its true and correct contents.

79. The Republic denies the allegations of Paragraph 79 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

80. Paragraph 80 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 80 of the Complaint.

81. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 81 of the Complaint. Paragraph 81 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 81 of the Complaint for its true and correct contents.

82. Paragraph 82 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 82 of the Complaint.

#### COUNT NINE

83. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

84. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 84 of the Complaint, except admits that it issued bonds having ISIN US040114GF14. Paragraph 84 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 84 of the Complaint for its true and correct contents.

85. The Republic denies the allegations of Paragraph 85 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.



86. Paragraph 86 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 86 of the Complaint.

87. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 87 of the Complaint. Paragraph 87 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 87 of the Complaint for its true and correct contents.

88. Paragraph 88 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 88 of the Complaint.

#### COUNT TEN

89. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

90. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 90 of the Complaint, except admits that it issued bonds having ISIN XS0086333472. Paragraph 90 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 90 of the Complaint for its true and correct contents.

91. The Republic denies the allegations of Paragraph 91 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

92. Paragraph 92 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 92 of the Complaint.

93. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 93 of the Complaint. Paragraph 93 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 93 of the Complaint for its true and correct contents.

94. Paragraph 94 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 94 of the Complaint.

#### COUNT ELEVEN

95. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

96. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 96 of the Complaint, except admits that it issued bonds having ISIN US040114FC91. Paragraph 96 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 96 of the Complaint for its true and correct contents.

97. The Republic denies the allegations of Paragraph 97 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

98. Paragraph 98 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 98 of the Complaint.

99. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 99 of the Complaint. Paragraph 99 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 99 of the Complaint for its true and correct contents.

100. Paragraph 100 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 100 of the Complaint.

#### COUNT TWELVE

101. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

102. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 102 of the Complaint, except admits that it issued bonds having ISIN US040114GA27. Paragraph 102 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 102 of the Complaint for its true and correct contents.

103. The Republic denies the allegations of Paragraph 103 of the Complaint, except

admits that since December 2001 it has not paid interest or principal on nonperforming debt.

104. Paragraph 104 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 104 of the Complaint.

105. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 105 of the Complaint. Paragraph 105 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 105 of the Complaint for its true and correct contents.

106. Paragraph 106 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 106 of the Complaint.

#### COUNT THIRTEEN

107. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

108. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 108 of the Complaint, except admits that it issued bonds having ISIN US040114AR16. Paragraph 108 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 108 of the Complaint for its true and correct contents.

109. The Republic denies the allegations of Paragraph 109 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

110. Paragraph 110 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 110 of the Complaint.

111. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 111 of the Complaint. Paragraph 111 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 111 of the Complaint for its true and correct contents.

112. Paragraph 112 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 112 of the Complaint.

#### COUNT FOURTEEN

113. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

114. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 114 of the Complaint, except admits that it issued bonds having ISIN US040114BD11. Paragraph 114 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 114 of the Complaint for its true and correct

contents.

115. The Republic denies the allegations of Paragraph 115 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

116. Paragraph 116 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 116 of the Complaint.

117. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 117 of the Complaint. Paragraph 117 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 117 of the Complaint for its true and correct contents.

118. Paragraph 118 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 118 of the Complaint.

#### COUNT FIFTEEN

119. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

120. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 120 of the Complaint, except admits that it issued bonds having ISIN US040114AW01. Paragraph 120 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and

refers to the document referenced in Paragraph 120 of the Complaint for its true and correct contents.

121. The Republic denies the allegations of Paragraph 121 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

122. Paragraph 122 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 122 of the Complaint.

123. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 123 of the Complaint. Paragraph 123 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 123 of the Complaint for its true and correct contents.

124. Paragraph 124 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 124 of the Complaint.

#### COUNT SIXTEEN

125. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

126. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 126 of the Complaint, except admits that it issued bonds having ISIN US040114AN02. Paragraph 126 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic

denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 126 of the Complaint for its true and correct contents.

127. The Republic denies the allegations of Paragraph 127 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

128. Paragraph 128 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 128 of the Complaint.

129. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 129 of the Complaint. Paragraph 129 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 129 of the Complaint for its true and correct contents.

130. Paragraph 130 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 130 of the Complaint.

#### COUNT SEVENTEEN

131. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

132. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 132 of the Complaint, except admits that it issued bonds having ISIN US040114FC91. Paragraph 132 of the Complaint otherwise purports to



characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 132 of the Complaint for its true and correct contents.

133. The Republic denies the allegations of Paragraph 133 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

134. Paragraph 134 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 134 of the Complaint.

135. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 135 of the Complaint. Paragraph 135 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 135 of the Complaint for its true and correct contents.

136. Paragraph 136 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 136 of the Complaint.

#### COUNT EIGHTEEN

137. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

138. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 138 of the Complaint, except admits that it issued bonds

having ISIN US040114GA27. Paragraph 138 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 138 of the Complaint for its true and correct contents.

139. The Republic denies the allegations of Paragraph 139 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

140. Paragraph 140 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 140 of the Complaint.

141. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 141 of the Complaint. Paragraph 141 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 141 of the Complaint for its true and correct contents.

142. Paragraph 142 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 142 of the Complaint.

#### COUNT NINETEEN

143. The Republic repeats its responses to paragraphs 1 to 34 of the Complaint as if fully set forth here.

144. The Republic lacks knowledge or information sufficient to form a belief as to the

truth of the allegations of Paragraph 144 of the Complaint, except admits that it issued bonds having ISIN US040114BD11. Paragraph 144 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document referenced in Paragraph 144 of the Complaint for its true and correct contents.

145. The Republic denies the allegations of Paragraph 145 of the Complaint, except admits that since December 2001 it has not paid interest or principal on nonperforming debt.

146. Paragraph 146 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations contained in Paragraph 146 of the Complaint.

147. The Republic lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 147 of the Complaint. Paragraph 147 of the Complaint otherwise purports to characterize the contents of a written document, which document speaks for itself. The Republic denies such characterizations inconsistent with the contents of the referenced document and refers to the document cited in Paragraph 147 of the Complaint for its true and correct contents.

148. Paragraph 148 of the Complaint constitutes a conclusion of law as to which no responsive pleading is required. The Republic otherwise denies the allegations of Paragraph 148 of the Complaint.

#### **First Affirmative Defense**

149. The Complaint fails to state a claim upon which relief may be granted, including because plaintiffs seek recovery on bonds issued pursuant to the Trust Deed, despite plaintiffs'

failure to plead facts demonstrating that the requirements for enforcement proceedings set out in the Trust Deed have been satisfied.

**Second Affirmative Defense**

150. Plaintiffs' claims are barred by the act of state doctrine.<sup>1</sup>

**Third Affirmative Defense**

151. To the extent plaintiffs are not acting in good faith in commencing and prosecuting this action, they are barred from enforcing any rights they may otherwise have.

**Fourth Affirmative Defense**

152. Plaintiffs' claims are barred by the doctrine of unclean hands.

**Fifth Affirmative Defense**

153. Plaintiffs' claims are barred by the doctrine of abuse of rights.

**Sixth Affirmative Defense**

154. Plaintiffs' claims are barred by N.Y. Judiciary Law Section 489.

**Seventh Affirmative Defense**

155. Plaintiffs lack capacity to sue because they are not holders of bonds within the meaning of the 1994 FAA.

**Eighth Affirmative Defense**

156. Plaintiffs' interest claims, if any, arising before December 21, 2002, are barred in part by the applicable statute of limitations/prescription period.

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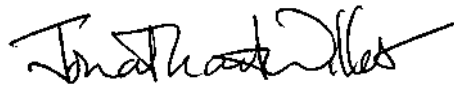
<sup>1</sup> The Republic recognizes that the Court has addressed the Second and Fifth Affirmative Defenses listed herein. See Lightwater Corp. Ltd. v. Republic of Argentina, 02 Civ. 3804 (TPG), 2003 WL 1878420, at \*5 (S.D.N.Y. Apr. 14, 2003). The Republic pleads these Affirmative Defenses here to preserve them for potential appellate review. In connection with the Sixth Affirmative Defense facts may exist in the present case that were not before the Court in the cases covered by the Lightwater and EM Ltd. v. Argentina, 03 Civ. 2508 (TPG), 2003 WL 22120745, (S.D.N.Y. Sept. 12, 2003) (amended Sept. 16, 2003) Orders.

WHEREFORE, the Republic respectfully requests that the Court enter an order:

- (a) dismissing plaintiffs' claims with prejudice;
- (b) awarding the Republic costs and disbursements, including reasonable attorneys' fees;
- and (c) granting the Republic such other and further relief as the Court may deem just and proper.

Dated: New York, New York  
February 26, 2008

JONATHAN A. WILLENS LLC

By:   
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